



ASML reports €2.4 billion net sales at 45.1% gross margin in Q1

Strong order intake and currently no change in demand
ASML refrains from guidance due to increased uncertainty in current environment

ASML 2020 First-Quarter

Veldhoven, the Netherlands

April 15, 2020

Agenda

- Investor key messages
- Business summary
- Outlook
- Financial statements

Investor key messages

Investor key messages

- Long term growth opportunity remains, driven by end markets growth enabled by major innovation in semiconductors
- Shrink is a key industry driver supporting innovation and providing long term industry growth
- Holistic Lithography enables affordable shrink and therefore delivers compelling value for our customers
- DUV, EUV and Application products are highly differentiated solutions that provide unique value drivers for our customers and ASML
- EUV will enable continuation of Moore's Law and will drive long term value for ASML well into this decade
- In November 2018 ASML modeled an annual revenue opportunity of €13 billion in 2020 under a moderate market scenario and an annual revenue opportunity between €15 – 24 billion through 2025
- We expect to continue to return significant amounts of cash to our shareholders through a combination of share buybacks and growing annualized dividends

Business summary

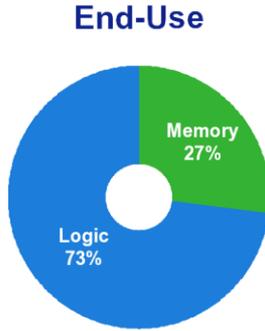
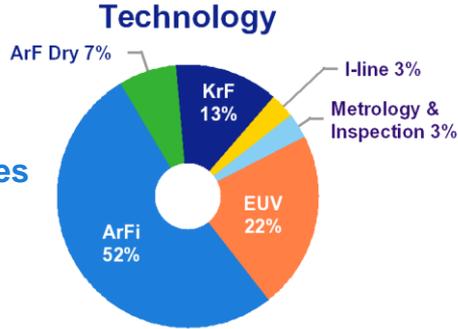
Q1 results summary

- Net sales of €2,441 million, net systems sales of €1,584 million, Installed Base Management* sales of €857 million
- Gross margin of 45.1%
- Operating margin of 17.5%
- Net income as a percentage of net sales of 16.0%
- Net bookings of €3,085 million, including €1,540 million of EUV systems (11)

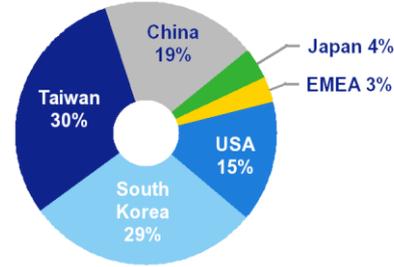
* Installed Base Management equals our service and field upgrades sales

Net system sales breakdown (Quarterly)

Q1'20
total sales
€1,584
million



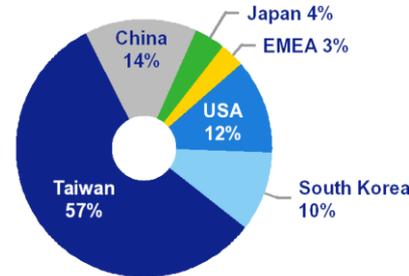
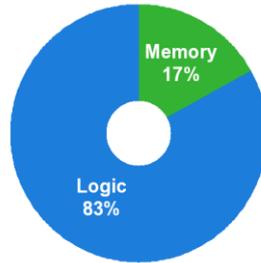
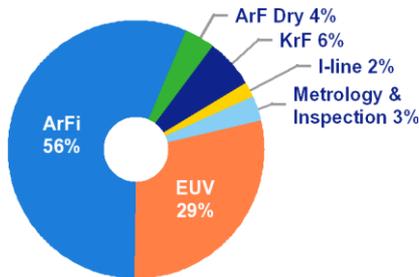
Region (ship to location)



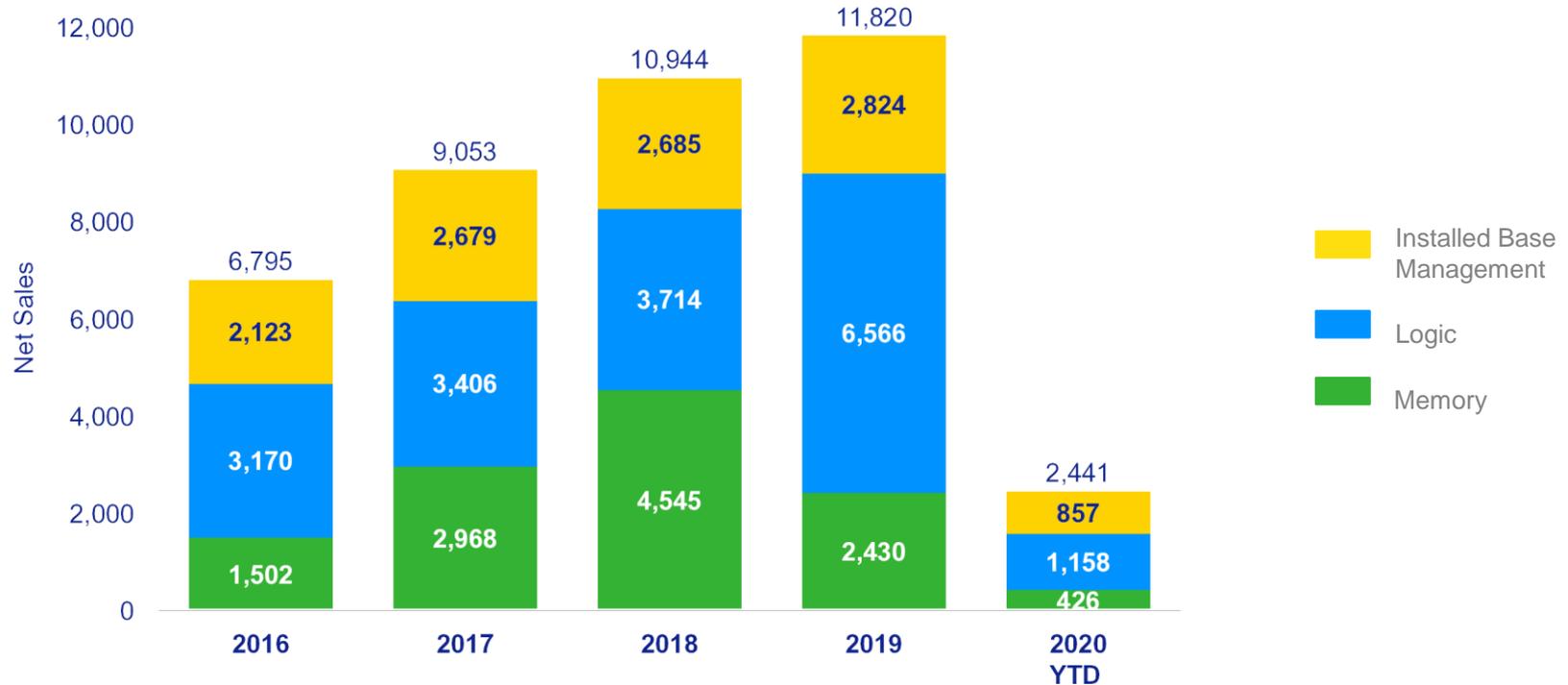
Sales in lithography units



Q4'19
total sales
€3,130
million



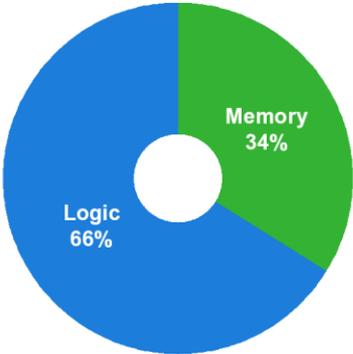
Total net sales € million by End-use



As of January 1, 2018, ASML has adopted the new Revenue Recognition Standard (ASC 606) and Lease Standard (ASC 842). The comparative numbers 2016 - 2017 presented above have not been adjusted to reflect these changes in accounting policy.

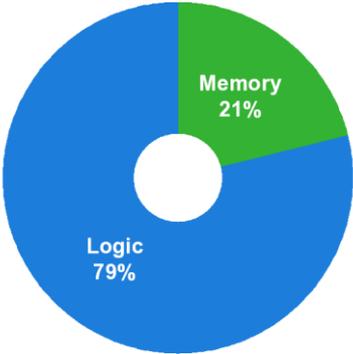
Litho systems bookings activity by End-use

**Q1'20 total value
€3,085 million**



Lithography systems		
	New	Used
Units	72	1

**Q4'19 total value
€2,402 million**



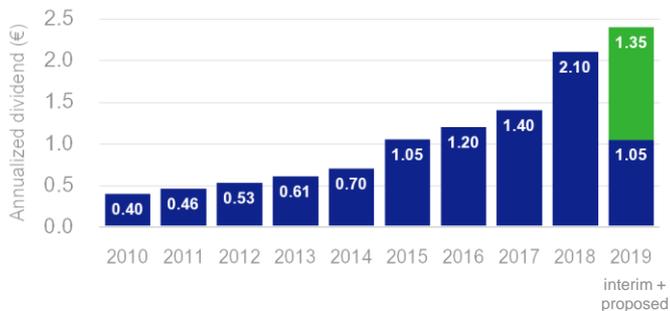
Lithography systems		
	New	Used
Units	57	3

Our systems net bookings include all system sales orders for which written authorizations have been accepted (for EUV excluding the High-NA systems).

Capital return to shareholders

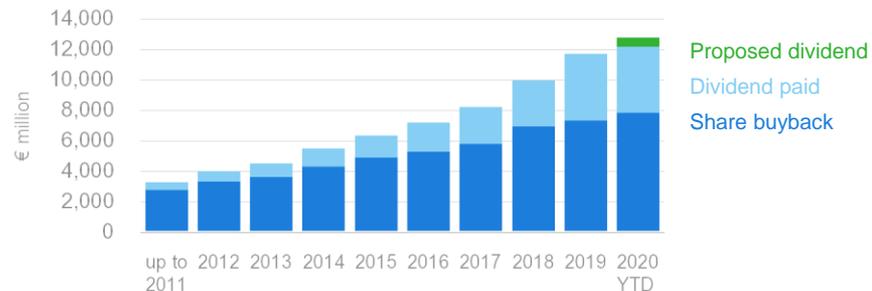
- € 507 million worth of shares has been repurchased in Q1 and no share buyback transactions will be executed in Q2 2020
- Intention to declare a total dividend for 2019 of €2.40 per ordinary share, consisting of:
 - interim dividend of €1.05 per ordinary share paid in November 2019
 - final dividend payment of €1.35 per ordinary share, as proposed to the 2020 AGM

Dividend history



The dividend for a year is paid in the subsequent year, except interim

Capital return



Capital return is cumulative share buyback + dividend

Dividend proposed
Dividend paid

Outlook

Q2 Outlook

- For this quarter ASML refrains from guidance due to the increased uncertainty in current environment

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Financial statements

Consolidated statements of operations € million

Quarter on Quarter

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Net sales	2,229	2,568	2,987	4,036	2,441
Gross profit	928	1,105	1,307	1,940	1,101
Gross margin %	41.6	43.0	43.7	48.1	45.1
R&D costs	(473)	(487)	(493)	(516)	(544)
SG&A costs	(121)	(123)	(129)	(148)	(130)
Income from operations	334	495	685	1,277	427
Operating income as a % of net sales	15.0	19.2	23.0	31.6	17.5
Net income	355	476	627	1,134	391
Net income as a % of net sales	15.9	18.5	21.0	28.1	16.0
Earnings per share (basic) €	0.84	1.13	1.49	2.70	0.93
Earnings per share (diluted) €	0.84	1.13	1.49	2.69	0.93
Lithography systems sold (units) ¹	48	48	57	76	57
Net booking value ²	1,399	2,828	5,111	2,402	3,085

¹ Lithography systems do not include metrology and inspection systems.

² Our systems net bookings include all system sales orders for which written authorizations have been accepted (for EUV excluding the High-NA systems). Our Q3 2019 systems net bookings include 1 DUV system shipped in Q3 2019, shipped to collaborative Research Center (Imec). This system is not recognized in revenue

Consolidated statements of cash flows € million

Quarter on Quarter

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Cash and cash equivalents, beginning of period	3,121	2,253	1,661	1,586	3,532
Net cash provided by (used in) operating activities	(481)	100	69	3,588	(606)
Net cash provided by (used in) investing activities	(342)	208	(7)	(1,017)	(444)
Net cash provided by (used in) financing activities	(48)	(896)	(142)	(626)	240
Effect of changes in exchange rates on cash	3	(4)	5	1	2
Net increase (decrease) in cash and cash equivalents	(868)	(592)	(75)	1,946	(809)
Cash and cash equivalents, end of period	2,253	1,661	1,586	3,532	2,724
Short-term investments	1,022	673	484	1,186	1,388
Cash and cash equivalents and short-term investments	3,275	2,335	2,070	4,718	4,112
Purchases of property, plant and equipment and intangible assets	(233)	(141)	(197)	(315)	(242)
Free cash flow ¹	(714)	(41)	(128)	3,273	(848)

¹ Free cash flow, which is a non-GAAP measure, is defined as net cash provided by (used in) operating activities minus purchases of Property, plant and equipment and intangible assets), see US GAAP Consolidated Financial Statements.

Consolidated balance sheets € million

Quarter on Quarter

	Assets	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Cash & cash equivalents and short-term investments		3,275	2,335	2,070	4,718	4,112
Net accounts receivable and finance receivables		2,523	2,664	3,274	2,773	2,857
Contract assets		104	190	288	231	292
Inventories, net		3,765	3,914	3,895	3,809	4,345
Other assets		1,637	1,771	1,767	1,673	1,808
Tax assets		654	647	649	624	1,011
Equity method investments		934	950	969	833	865
Goodwill		4,541	4,541	4,541	4,541	4,541
Other intangible assets		1,158	1,141	1,123	1,105	1,083
Property, plant and equipment		1,622	1,670	1,818	1,999	2,047
Right-of-use assets		148	211	305	324	317
Total assets		20,361	20,034	20,699	22,630	23,278
Liabilities and shareholders' equity						
Current liabilities		3,721	3,693	3,712	4,694	4,677
Non-current liabilities		4,674	4,796	4,916	5,344	6,076
Shareholders' equity		11,966	11,545	12,071	12,592	12,525
Total liabilities and shareholders' equity		20,361	20,034	20,699	22,630	23,278

Forward looking statements

This document contains statements that are forward-looking, including statements with respect to expected trends, bookings, annual revenue opportunity in 2020 and through 2025 and long term growth opportunity, expected trends in end markets, expected technology industry and business environment trends, including the expected impact of the Covid-19 pandemic on ASML, expected revenue recognition of systems in Q2/Q3, demand outlook, shrink being a key industry driver supporting innovation and providing long-term industry growth, the expected continuation of Moore's law and the expectation that EUV will enable continuation of Moore's law and drive long term value for ASML well into this decade, and statements with respect to plans regarding dividends and share buybacks, including the dividend proposal in respect of 2019, the 2020-2022 share buyback program, including the plan to not make purchases in Q1 and the intention to continue to return excess cash to shareholders through a combination of share buybacks and growing annualized dividends. You can generally identify these statements by the use of words like "may", "will", "could", "should", "project", "believe", "anticipate", "expect", "plan", "estimate", "forecast", "potential", "intend", "continue", "target", and variations of these words or comparable words. These statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about our business and our future financial results and readers should not place undue reliance on them. Forward-looking statements do not guarantee future performance and involve risks and uncertainties. These risks and uncertainties include, without limitation, economic conditions; product demand and semiconductor equipment industry capacity; worldwide demand and manufacturing capacity utilization for semiconductors; the impact of general economic conditions on consumer confidence and demand for our customers' products; performance of our systems, risks related to the Covid-19 virus on the global economy and financial markets, as well as on ASML and its customers and suppliers, the impact on ASML's and its customers' and suppliers' operations and other risks relating to the Covid-19 virus and other factors that may impact ASML's sales and gross margin, including customer demand and ASML's ability to supply its products, the success of technology advances and the pace of new product development and customer acceptance of and demand for new products; the number and timing of systems ordered, shipped and recognized in revenue, and the risk of order cancellation or push out, production capacity for our systems including delays in system production; our ability to enforce patents and protect intellectual property rights and the outcome of intellectual property disputes and litigation; availability of raw materials, critical manufacturing equipment and qualified employees; trade environment; changes in exchange and tax rates; available liquidity, our ability to refinance our indebtedness, available cash and distributable reserves for, and other factors impacting, dividend payments and share repurchases, results of the share repurchase programs and other risks indicated in the risk factors included in ASML's Annual Report on Form 20-F and other filings with and submissions to the US Securities and Exchange Commission. These forward-looking statements are made only as of the date of this document. We do not undertake to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The image features the ASML logo in a bold, dark blue font on the left side. The background is a gradient of light blue, with abstract, flowing white lines that resemble waves or a stylized 'S' shape extending from the right side of the logo across the entire frame. The overall aesthetic is clean, modern, and professional.

ASML